

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO SALES TAX FINANCING
CORPORATION,

Debtor.

PROMESA

Title III

No. 17 BK 3284-LTS

**URGENT MOTION FOR LEAVE TO FILE OMNIBUS REPLY OF
PUERTO RICO SALES TAX FINANCING CORPORATION TO OBJECTIONS
TO SECOND AMENDED TITLE III PLAN OF ADJUSTMENT IN EXCESS PAGES**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Puerto Rico Sales Tax Financing Corporation (“COFINA” or the “Debtor”), as a debtor in the above-captioned Title III case, by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the Debtor’s representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),¹ respectfully submits this urgent motion (the “Urgent Motion”), for leave to file

¹ PROMESA is codified at 48 U.S.C. §§ 2101-2241.

the *Omnibus Reply of Puerto Rico Sales Tax Financing Corporation to Objections to Second Amended Title III Plan of Adjustment* (the “Omnibus Reply”) in excess of the page limit set forth in Paragraph I.E. of the *Seventh Amended Notice, Case Management and Administrative Procedures* [Case No. 17-3283-LTS, ECF No. 4086-1] (the “Case Management Procedures”).

Jurisdiction and Venue

1. The United States District Court for the District of Puerto Rico (the “Court”) has subject matter jurisdiction over this matter pursuant to PROMESA § 306(a).
2. Venue is proper pursuant to PROMESA § 307(a).

Background

3. On October 19, 2018, the Oversight Board filed the *Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [Case No. 17-3284, ECF No. 309] (the “Original Plan”). Subsequent to the filing of the Original Plan, the Debtor continued discussions with various parties to resolve certain outstanding issues or objections. On November 16, 2018, the Debtor filed the *Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [Case No. 17-3284, ECF No. 352] (the “First Amended Plan”) incorporating certain modifications to address such outstanding issues or objections.

4. On November 26, 2018, the Debtor filed the *Second Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [Case No. 17-3284, ECF No. 367] (as corrected on November 30, 2018, Case No. 17-3284, ECF No. 377, the “Second Amended Plan”), incorporating certain modifications after discussions with a number of parties.

5. Objections (collectively, the “Objections”) to confirmation were interposed by the following parties, a number of which interposed objections through multiple filings: (a) Stephen Mangiaracina, (the “Mangiaracina Objections”); (b) Peter C. Hein (the “Hein Objections”); (c)

PROSOL-UTIER (the “PROSOL-UTIER Objection”); (d) Mark Elliott (the “Elliott Objection”); (e) SEIU-UAW (the “Unions Objection”); (f) Manuel Natal-Albelo, et al. (the “Natal Objection”); (g) GMS Group, LLC (the “GMS Objection”); (h) Lawrence B. Dvoves (the “Dvoves Objection”); and (i) certain Puerto Rico credit unions (the “Cooperativas Objection”).²

² The complete list of Objections is as follows:

- a) **The Mangiaracina Objections:** *Objections To The Plan Of Adjustment And The Adequacy Of The COFINA Disclosure Statement And The Relief Requested In The Disclosure Statement With Reservation Of Rights* [ECF No. 4215]; *Objections to the Title III Plan of Adjustment of the Debts of Puerto Rico Sales Tax Financing Corporation with Reservation of Rights* [ECF No. 4481];
- b) **The Hein Objections:** *Objection, of Individual COFINA Subordinate Bondholder Residing in the 50 States Who Purchased at the Original Offering Prices, to Confirmation of Puerto Rico Sales Tax Financing Corporation (“COFINA”) Plan, and Response and Opposition to COFINA’s Thirteenth Omnibus Objection to Individual Claim No. 10701* [ECF No. 4585]; *Supplement to Objection, of Individual COFINA Subordinate Bondholder Residing in the 50 States Who Purchased at the Original Offering Prices, to Confirmation of Puerto Rico Sales Tax Financing Corporation (“COFINA”) Plan Scheduled for Hearing January 16, 2019, and Response and Opposition to COFINA’s Thirteenth Omnibus Objection to Individual Claim No. 10701* [ECF No. 4595];
- c) **The PROSOL-UTIER Objection:** *Objection of PROSOL-UTIER to Confirmation of the Second Amended Title III Plan of Adjustment of the Debts of Puerto Rico Sales Tax Financing Corporation (“COFINA”)* [Case No. 17-3284, Docket Entry No. 380] [ECF No. 4592];
- d) **The Elliott Objection:** *First Amended Objection of Mark Elliott, Individually and d/b/a Elliott Asset Management, to Entry of an Order Approving the Second Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [ECF No. 4598] (the Elliott Objection was originally filed at ECF No. 4597);
- e) **The Unions Objection:** *Objection of Service Employees International Union and International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) to COFINA Plan of Adjustment* [ECF No. 4556];
- f) **The Natal Objection:** *Objection to Confirmation of the Second Amended Title III Plan of Adjustment of the Debts of Puerto Rico Sales Tax Financing Corporation and Joinder of Objection By PROSOL-UTIER* [ECF No. 4607];
- g) **The GMS Objection:** *Amended Objection of the GMS Group, LLC to Second Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation and Request for Evidentiary Hearing* [ECF No. 4564]; *Joinder by the GMS Group, LLC to Objection, of Individual COFINA subordinate Bondholder Residing in the 50 States Who Purchased at the Original Offering Prices, to Confirmation of Puerto Rico Sales Tax Financing Corporation Plan, and Response and Opposition to COFINA’s Thirteenth Omnibus Objection to Individual Claim No. 10701* [ECF No. 4587]; *Joinder by and Supplement of the GMS Group, LLC to Supplemental Objection, of Individual COFINA subordinate Bondholder Residing in the 50 States Who Purchased at the Original Offering Prices, to Confirmation of Puerto Rico Sales Tax Financing Corporation Plan, and Response and Opposition to COFINA’s Thirteenth Omnibus Objection to Individual Claim No. 10701* [ECF No. 4605] (the GMS Objection was originally filed at ECF No. 4577 and was withdrawn at ECF No. 4563). The GMS Group, LLC also filed the *Motion Submitting Declaration of Timothy Donahue and Peter Hein in Support of Objection of the GMS Group, LLC to Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [ECF No. 4606];
- h) **The Dvoves Objection:** *Objection of Lawrence B. Dvoves, Individual Investor and Owner of Uninsured Junior Lien COFINA Bonds to the Confirmation of the Proposed [sic] Plan of Adjustment for Puerto Rico Sales Tax Financing Corporation Bonds and in Support of and for Joinder with Objections Filed by the GMS Group and Peter C. Hein, Pro Se* [ECF No. 4613]; and

Relief Requested

6. Paragraph I.E. of the Case Management Procedures provides that “[u]nless prior permission has been granted . . . memoranda of law in support of Replies . . . are limited to fifteen (15) pages” Case Management Procedures ¶ I.E.

7. For completeness, efficiency, and to ease the burden on the Court, the Omnibus Reply addresses all the Objections in a single omnibus reply. To appropriately and comprehensively respond to all the arguments raised in the Objections, the Oversight Board was unable to meet the fifteen (15) page limit set forth in the Case Management Procedures while adequately responding to each argument raised in the Objections.

8. Accordingly, the Oversight Board respectfully requests leave to file the Omnibus Reply with a length not to exceed fifty (50) pages, exclusive of the cover page, the table of contents, the table of authorities, and the signature page.

9. The Oversight Board hereby certifies that there is a true need for urgent relief and that such urgency was not created through any lack of due diligence.

10. No prior request for the relief sought in this Urgent Motion has been made to this or any other court.

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i) **The Cooperativas Objection:** *Objection to the Confirmation of the Second Amended Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [Case No. 17-3284, ECF No. 415].

WHEREFORE the Oversight Board respectfully requests the Court to enter the Proposed Order attached hereto as **Exhibit A**, granting the Debtor the relief requested herein and all other relief as is just and proper.

Dated: January 9, 2019
San Juan, Puerto Rico

Respectfully submitted,

/s/ Martin J. Bienenstock

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Exhibit A

Proposed Order

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

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No. 17 BK 3284-LTS

**ORDER APPROVING URGENT MOTION FOR
LEAVE TO FILE OMNIBUS REPLY OF PUERTO RICO
SALES TAX FINANCING CORPORATION TO OBJECTIONS TO
SECOND AMENDED TITLE III PLAN OF ADJUSTMENT IN EXCESS PAGES**

Upon the *Urgent Motion for Leave to File Omnibus Reply of Puerto Rico Sales Tax Financing Corporation to Objections to Second Amended Title III Plan of Adjustment in Excess Pages* (the “Urgent Motion”);³ and the Court having found it has subject matter jurisdiction over this matter pursuant to section 306(a) of PROMESA; and it appearing that venue in this district is proper pursuant to section 307(a) of PROMESA; and the Court having found that the Debtor

³ Capitalized terms not otherwise defined herein shall have the meanings given to them in the Urgent Motion.

provided adequate and appropriate notice of the Urgent Motion under the circumstances and that no other or further notice is required; and upon the record herein, after due deliberation thereon, the Court having found that good and sufficient cause exists for the granting of the relief as set forth herein,

IT IS HEREBY ORDERED THAT:

1. The Urgent Motion is GRANTED as set forth herein.
2. The Debtor may file the Omnibus Reply, not to exceed fifty (50) pages, exclusive of the cover page, the table of contents, the table of authorities, and the signature page.
3. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: January _____, 2019

HONORABLE LAURA TAYLOR SWAIN
UNITED STATES DISTRICT COURT JUDGE